

DEPOSITORIES FOR PUBLIC MONEYS (EXCERPT)

Act 40 of 1932 (1st Ex. Sess.)

129.12 Resolution providing for designation and deposit of public money; limitation on acceptable assets; conduct of proceedings; designation of depositories; deposit of funds; liability.

Sec. 2. (1) The county board of commissioners, or board of county auditors in a county in which there is a board of county auditors, the township board of a township, the district board, or board of education of a school district, or the legislative body of a city or village shall provide by resolution for the designation and deposit of public money, including tax money, coming into the possession of the county treasurer, township treasurer, school district treasurer, city treasurer or tax collector, or village treasurer, in 1 or more financial institutions in the proportion and manner as may be provided in the resolution.

(2) Assets acceptable for pledging to secure deposits of public funds are limited to any of the following:

(a) Assets considered acceptable to the state treasurer under section 3 of 1855 PA 105, MCL 21.143, to secure deposits of state surplus funds.

(b) Any of the following:

(i) Securities issued by the federal home loan mortgage corporation.

(ii) Securities issued by the federal national mortgage association.

(iii) Securities issued by the government national mortgage association.

(c) Other securities considered acceptable to the depositor of public funds and the financial institution.

(3) All proceedings in connection with the deposit of money shall be conducted and be governed under section 4 and applicable law not in conflict with this act. Upon designation of a financial institution or institutions in compliance with this act, the treasurer or tax collector shall deposit all funds coming into the treasurer's possession, including tax money in the treasurer's name as treasurer or tax collector, and in the proportion and manner as may be provided by the resolution.

(4) As to a deposit or deposits made in a designated financial institution in accordance with the resolution, neither the treasurer or tax collector, nor the sureties on their respective bonds, shall be liable for a loss occasioned or sustained by the failure or default of the designated financial institution. This exemption from liability shall apply even though a requirement of a statute provides for the furnishing of a bond by depositories of public money. The treasurer or tax collector and the sureties on their respective bonds shall be liable for all money not deposited under this act.

History: 1932, 1st Ex. Sess., Act 40, Imd. Eff. May 14, 1932;—CL 1948, 129.12;—Am. 1979, Act 84, Imd. Eff. Aug. 1, 1979;—Am. 1997, Act 31, Imd. Eff. June 19, 1997;—Am. 1997, Act 33, Imd. Eff. June 19, 1997.